

Message Text

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TO AMEMBASSY RABAT

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E.O. 11652: N/A

TAGS: BENC, BEXP, MO

SUBJECT: NADOR STEEL COMPLEX

REF: A) RABAT 4597 B) RABAT 4120.

1. REF A WAS SENT TO MOST OF COMPANIES WHICH PREQUALIFIED FOR ONE OR MORE OF FIRST FIVE PROJECTS OF STEEL COMPLEX (REF B) AND TO GENERAL ELECTRIC, UNITED TECHNOLOGIES, BABCOCK AND WILCOX, DAY AND ZIMMERMANN, GILBERT/COMMONWEALTH ASSOCIATES, PEDEN STEEL, PIONEER STEEL, U.S. STEEL INTERNATIONAL. UNITED TECHNOLOGIES IS GOING TO BID ON POWER PLANT BUT WILL OFFER ALTERNATIVE TO STEAM BLOWER BECAUSE COMPANY DOES NOT MANUFACTURE IT. OTHER COMPANIES HAVE NOT COMMENTED THUS FAR ON THEIR INTERESTS.

2. INFO GATHERED FROM CONVERSATIONS WITH COMPANIES LISTED AS PREQUALIFIED IN REF B FOLLOWS: A) DRAVO CORPORATION IS ACTIVELY PURSUING PROJECT; B) JOHN MONTGOMERY, H.K. FERGUSON, RETURNED PREQUALIFICATION QUESTIONNAIRE, IN JULY

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BUT HAS HEARD NOTHING FURTHER FROM THE MOROCCANS; C) WEAN

UNITED IS NOT BIDDING ON PROJECT FROM U.S. BUT HAS EUROPEAN LICENSEES WHICH WILL BID; TYPE OF ROLLING MILL WHICH COMPANY MANUFACTURES IN U.S. IS NOT BEING ASKED FOR;

D) ED O'SULLIVAN , MANAGER, INTERNATIONAL SALES, BROWN AND ROOT, INC., SENT LETTER TO MOROCCO ON MAY 19 AND HAS HEARD NOTHING AT ALL FROM SONASID. THIS IS ONE OF COUPLE OF CASES WHICH ARE PUZZLING. ACCORDING REF B, BROWN AND ROOT MARINE OPERATORS PREQUALIFIED, YET O'SULLIVAN WHO APPARENTLY WOULD KNOW IF MOROCCANS HAD CORRESPONDED WITH ANY PART OF COMPANY, IS UNAWARE OF ANY CONTACT; E) ARTHUR G. MCKEE "PREQUALIFIED FOR BLAST FURNACE (A-1) BUT DOES NOT LIKE TERMS OF BID AND WILL NOT BID", MOST ONEROUS "TERMS" ARE APPARENTLY REQUIREMENT FOR LUMP SUM CONTRACT; F) PULLMAN SWINDELL (FORMERLY SWINDELL DRESSLER) IS ANOTHER COMPANY WHICH APPARENTLY DID NOT TURN IN PREQUALIFICATION QUESTIONNAIRE. DOCUMENTS WERE RECEIVED IN COMPANY'S OFFICES JULY 7. SINCE THEY WERE DUE BACK IN MOROCCO JULY 8, THE COMPANY DID NOT BOTHER; G) MORGAN CONSTRUCTION COMPANY APPARENTLY PREQUALIFIED THROUGH THEIR BRITISH LICENSEE; THEY ALSO HAVE LICENSE IN GERMANY AND HAVE NOT DECIDED WHICH OF THE THREE COMPANIES THEY WILL BID FROM; COMPANY PRESIDENT WAS IN MOROCCO EARLY PART OF SEPTEMBER; H) BLAW-KNOX FOUNDRY AND

MILL MACHINERY INC. ALSO RECEIVED DOCUMENTS TOO LATE TO TRANSLATE FROM FRENCH, COMPLETE, AND SEND BACK TO MOROCCO BEFORE DEADLINE. ROBERT ELLING, VICE PRESIDENT INTERNATIONAL, WAS SURPRISED TO FIND COMPANY HAD NEVERTHELESS PREQUALIFIED. COMPANY HAD BEEN APPROACHED EARLIER BY SPANISH FIRM, ENSIDESA, FOR POSSIBLE JOINT-VENTURE BUT NO DISCUSSIONS WERE HELD. ELLING IS CHECKING AGAIN WITH ENSIDESA ON THIS. I) VULCAN ENGINEERING ALSO DID NOT RECEIVE ANYTHING FROM MOROCCANS IN RESPONSE TO COMPANY'S LETTER OF INTEREST SENT IN MAY. VULCAN ENGINEERS AND MANUFACTURES SPECIAL EQUIPMENT FOR MATERIALS HANDLING. THEY ARE INTERESTED IN LOT A-4. J) PENNSYLVANIA ENGINEERING CORPORATION OWNS BIRDSBORO CORPORATION; SO FAR INTENTIONS OF BOTH COMPANIES ARE UNKNOWN; SAME HOLDS TRUE FOR U.S. STEEL; K) CONCAST METAL PRODUCTS INC. MAKES STEEL AND LIMITED OFFICIAL USE

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OTHER STEELMAKING FACILITIES. COMPANY OFFICIAL BELIEVES THERE IS CONFUSION WITH SWISS COMPANY, CONCAST, A.G. WHICH MANUFACTURES ROLLING MILL EQUIPMENT. THERE IS NO RELATIONSHIP BETWEEN TWO FIRMS; L) HAVE BEEN UNABLE TO LOCATE FIRST WASHINGTON TRADING CORPORATION, BAYCON CORPORATION (SEYMORE LINE, OHIO IS NOT LISTED IN OHIO DIRECTORY) OR ARCHITECTURE AND PLANNING (COMPANY NOT LISTED IN NEW YORK DIRECTORY).

3. MONTGOMERY, H.K. FERGUSON, EXPECTED TO RECEIVE CALL FOR TENDER FROM SONASID BY THIS TIME BUT AS MENTIONED ABOVE HAS HEARD NOTHING. MAY 17 WALL STREET JOURNAL ANNOUNCEMENT ALSO INDICATES TENDERS FOR A-1 THROUGH A-3 WOULD BE INVITED SEPTEMBER 1 AND FOR A-4 AND A-5, OCTOBER 1. REQUEST EMBASSY ASCERTAIN WHETHER THERE HAS BEEN DELAY. ALSO, PRESUME THAT SINCE BROWN AND ROOT, VULCAN ENGINEERING, PULLMAN SWINDELL, AND BLAW-KNOX PREQUALIFIED DESPITE FACT THEY DID NOT SEND IN QUESTIONNAIRE, THEY WILL ALSO RECEIVE TENDER INVITATIONS. REQUEST EMBASSY CONFIRM. IF POSSIBLE, REQUEST EMBASSY INDICATE WHICH LOTS COMPANIES PREQUALIFIED FOR.

4. CAGNE CONTACTED MOROCCAN EMBASSY ECONOMIC COUNSELOR TO ATTEMPT TO GET SOME CLARIFICATION FROM THAT SOURCE AND WAS TOLD MOULINE WOULD BE IN WASHINGTON END OF SEPTEMBER. STATE, EXIMBANK, AND USDOC WERE NOT AWARE OF THIS AND WOULD APPRECIATE EMBASSY'S COMMENTS. ROBINSON

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